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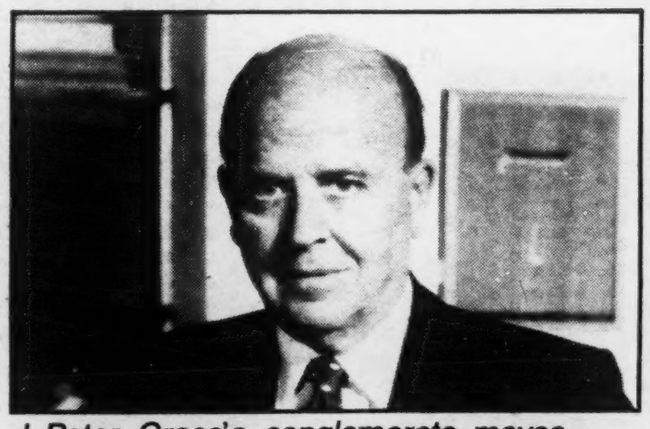
Grace would sell home centers individually

Competitors size up chains; One LBO considered

By Brad Altman
NHCN staff editor

NEW YORK — W. R. Grace's surprise decision to sell its retail empire—dominated by its $1.5 billion home center division—is expected to have long-range implications for the entire DIY industry.

Indeed, Grace's announcement last month of a restructuring move in which it will concentrate on its chemical businesses and retrench from retailing has had immediate industrywide impact.



J. Peter Grace's conglomerate moves closer to the core chemical business founded by his grandfather, with the decision to sell the retail group.

Grace retail at a glance (Sales: $2 billion—660 units)

Specialty stores	Units
Bermans, Minneapolis, specialty leatherwear	133
Herman's Sporting Goods, Carteret, N.J.[1]	119
J. B. Robinson Jewelers, Inc., Cleveland	83
Sheplers, Inc., Wichita, Kan., western wear	8
Total	343
Home Centers (sales; $1.5 billion[2])	**Units**
Central Region (Handy City, Handy Dan House Works)	108
Channel Home Centers	101
Grace Home Centers West (Allwoods, Cashway Handy Dan Colorado, Ole's)	84
Orchard Supply Hardware	21
Home Quarters Warehouse	3
Total	317

[1]Publicly traded, Grace has 54% interest
[2]*NHCN* estimate
Store count as of Sept. 30, 1985
Volume for 12 months ended Sept. 30, 1985
NHCN chart

Since entering the home center industry in 1976 with its purchase of Atlanta-based Handy City, W. R. Grace grew, mostly through acquisition, into the largest company in the industry, when measured in DIY sales, and the first national chain.

Whether that chain would be sold as a whole or in pieces was not yet clear. Uncertainty faced the chain's competitors, suppliers and 14,000 store-level and executive employees as well as another 7,000 employees of the Grace specialty stores.

Competitors are weighing the pros and cons of bidding for suddenly available real estate, although it remains possible that a single company may pick up the entire retail group, which is reportedly valued at between $500 million and $600 million.

In fact, prior to its public announcement that the retail group was for sale, Grace "had discussions" with a company interested in buying the group, but the deal didn't proceed, according to Fred Bona, Grace vp for corporate com-

(Continued on page 46)

Evans presents reorganization plan as lenders file with court

Personality conflicts continue to obstruct bank negotiations

By John Caulfield
NHCN staff editor

NEW YORK — Victor Posner would step down as chairman of Evans Products, the company's retail division would remain a viable entity, and vendors would receive what one source said would be "an extraordinarily high return" on the debt they are owned in a plan for reorganizing the company under Chapter 11 that was presented to trade creditors by Evans on Dec. 11.

This plan came on the heels of another reorganization proposal presented to vendors by Evans' bank lenders some weeks earlier. The banks, according to a source close to the bankruptcy proceedings, were expected to file their plan with U.S. Bankruptcy Court in Miami in mid-December, at which point Evans is expected to counter with a filing of its own.

"I can assure you that if the banks file, Evans will file, too," said this source.

These prospective filings of reorganization plans would occur amid tensions among Evans, the vendors, the banks and their attorneys. These tensions, according to knowledgeable sources connected with each constituency, have served to hinder negotiations and are part of the reason why two reorganization plans are about to be filed instead of

(Continued on page 46)

Rapid growth plan leads Belknap into bankruptcy

By Laura Liebeck
NHCN staff editor

LOUISVILLE, Ky. — Belknap Inc., the privately owned hardware wholesale distributor based here, filed for protection from its creditors under Chapter 11 of the federal bankruptcy code on Dec. 4, in Louisville.

The formal petition listing Belknap's schedule and statement of affairs was to have been filed by Dec. 19.

The preliminary filing lists assets of $97 million and liabilities of $112 million, $60 million of which is secured debt, held by five banks, and the balance, $52 million, is in trade debt, according to the document filed in U.S. Bankruptcy Court in the Western District of Kentucky, Louisville Division. Belknap has approximately 7,500 unsecured trade creditors.

(Continued on page 45)

NEWSBREAKS

PITTSBURGH GETS FIRST WAREHOUSES. Hechinger opened two warehouse home centers in Pittsburgh Dec. 11, marking the initial entry of that type retail outlet in the market. One unit is located east of the city in Monroeville. The other is south of downtown in West Mifflin.

Homecrafters foresees no slowdown during Ch. 11

BIRMINGHAM, Ala. — Homecrafters Warehouse does not expect any material interruptions of its traditional home center operations as a result of its Dec. 6 filing for Chapter 11, a company spokesman said.

In turning to the Federal bankruptcy code for protection the company cited difficulties encountered in terminating the leases it held on its 11 warehouse stores.

"Cash was in short supply, so that it became a matter of either paying the leases or the vendors," noted Dick Shepperd, cfo of the company, which also operates 28 traditional home centers in the Southeast and lost $4.8 million on sales of $156.4 million during the fiscal year ended Jan. 31, 1985. Losses continued throughout last

(Continued on page 45)

Honing of firms' internal operations drives economic strategies for 1986

By Phillip M. Perry
NHCN staff editor

NATIONAL REPORT — For most home center operators, 1986 is starting to look like a year in which a refinement of internal operations will have to be the driving force for greater profitability. The rapidly expanding economy that drove home center sales and profits to new heights in 1984 petered out last year, and there are few indications that a rebound is in the offing.

Housing starts, for example, are expected to decline by 6% this year, to a level of 1.75 million units, according to Value Line, the New York research firm. Next year they could be off again, by about 100,000, as the economic recovery moves through its fourth year.

Consumer credit outstanding as a percentage of disposable income has risen rapidly to a level of almost 19%, so that Value Line is forecasting that "there may be only modest consumer spending growth in 1986."

Most home center operators point to the combination of level housing starts and high consumer debts as the two most important depressants on forecasts for 1986 sales.

"I don't see an ebullient economy for the first half of

(Continued on page 5)

'I don't see an ebullient economy for the first half of 1986. . . . [Making matters worse], the forcing of automobile sales took many discretionary dollars that would otherwise have gone for large project sales.'

—David Stanley,
president,
Payless Cashways

NHCNews Briefs

Industry Update

Pergament to add up to 6 units

MELVILLE, N.Y. — Pergament Home Centers hopes to maintain its quickened expansion pace by opening five or six new stores this year, according to Bruce Pergament, vp-administration. Two of those new stores will be warehouse-type units of at least 50,000 sq. ft. in Riverhead and Patchogue, both in the company's primary Long Island trade area. The other locations will fill in Pergament's existing tristate market area of New York, New Jersey and Connecticut.

"We're not looking to take over the world," commented Bruce Pergament, "but we're committed to making ourselves dominant here in the New York area."

After several years of flat net new store growth, Pergament expanded its store count by approximately four units in 1985. In addition, the chain enlarged its total retail square footage significantly converting nine smaller units to the larger warehouse format last year.

Hinckley employees buy firm

HYANNIS, Mass. — Independent Hinckley Home Centers reached an agreement on Nov. 1 for the sale of its three units to employees through its Employee Stock Option Plan. The group, headed by controller Frank Wheldon Jr., has yet to appoint new officers.

The family-run company, founded in 1872, had an estimated sales volume of $14 million in 1984. It will continue as Hinckley Home Centers operating units in the Cape Cod towns of Dennis, Harwich and Hyannis.

The older family members—John Hinckley, president, gm, and Frank Hinckley, executive vp, treasurer—will take a less active part and pursue other financial interests. David Hinckley will become lumber buyer and Stephen Hinckley will also remain with the company.

Triangle names new vp/gm

QUAKERTOWN, Pa. — Martin C. Schaeffer has replaced Thomas Ostrander as the vice president and general manager for the four-unit Triangle Building Supply chain here, which reportedly is on the verge of a "major expansion" in 1986.

An executive source at Triangle, who asked not to be named, said the management switch was made because the retail chain "was not meeting its objectives." Presumably, the chain's sales and profitability lagged behind the company's expectations, and stymied Triangle's expansion plans, which were to have at least three new units opened in 1985.

Schaeffer, whose responsibilities will not differ markedly from those Ostrander had, previously worked for the Grossman's chain, where he was a district manager, and for Montgomery Ward.

Building material sales top $6B

WASHINGTON — Retail sales at building material and supply stores, which had been on a fairly even keel since May, swelled over the $6 billion mark in September and crested to a 12-month peak in October at $6.783 billion, according to unadjusted preliminary figures released by the Commerce Department. And, although that wave of building material stores sales subsided somewhat in November, that month's advance unadjusted figure of $6.010 billion was still some 40% over the same month of the previous year.

Unadjusted preliminary sales from building materials and supply stores in October rose 5.1% above the previous month to $6.783 billion. In September, building material and supply store sales hit $6.456 billion, a 26.5% leap over the previous month.

Hardware store sales in October were up 17.4% over the previous month, according to preliminary unadjusted figures, to $952 million, about the same level as a year-ago.

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New DIY trade show set for New York

NEW YORK — Home Improvement retailers will have yet another trade show to add to their menu next year: DIY Marketing '86, scheduled for next October in New York City.

Jerome Charnizon, president of Continental Exhibitions Inc., of New York, the show's organizer and manager, said the new DIY trade show will fill a void in New York "the world's greatest market for hardware and home improvement products."

The Big Apple has not hosted a DIY trade show in 12 years, when the Hardware Show left the city for permanent headquarters in Chicago.

"The primary motivating factor [for this show] is that the New York market is not being serviced," Charnizon said.

Also, research has shown, he said, that most show attendees travel only 200 miles from home to attend a trade show.

"And besides, ours will not be just another hardware show, it will focus all of its attention on the flourishing DIY marketplace," added Charnizon, who until 1984 was director of sales and marketing for Clapp & Poliak, a trade show management company.

Charnizon said this exposition has reserved space in the convention center every October through 1989.

This show will have 120,000 sq. ft. of exhibition space and is expected to attract 600 exhibitors, he said. Booth space will lease for $12 per square foot.

So far, no booth space has been reserved. Continental Exhibitions has just mailed out its brochures on the show inviting reservations. But Charnizon said he already has 200 companies who have expressed an interest in the show.

Cooney, Cohen named to Hall of Fame

CHICAGO — Scotty's vice chairman Ray Cooney and Somerville Lumber president Harold Cohen will be inducted into the Home Center Hall of Fame at this year's National Home Center Show in March.

Cooney and Cohen will join the ranks of Hall of Famers Robert Strickland, Lowe's chairman and last year's inductee, as well as inaugural Famers Richard England, chairman of Hechinger, Bernard Marcus, chairman of The Home Depot and George Milne, an industry consultant.

The Hall of Fame inductees are chosen by the vote of over 200 retailer members of the Home Center Leadership Council. The Hall of Fame was established two years ago to honor men and women who have made significant contributions to the home center industry.

Cooney joined Scotty's in 1968, when the Winter Haven, Fla.-based chain had 17 stores and sales of $12 million. He was named president and chief operating officer in 1978, and became vice chairman in 1985, when the company ended its fiscal year in June with $453.4 million in sales.

Cohen, along with his brother Melvin, had built their Somerville, Mass., company into one of the strongest independents in the home center industry when the then-two unit firm was purchased by Payless Cashways in March 1984. Harold was elected to Payless' board of directors later that year. The now three-unit company contributed over $60 million to Payless' sales coffers last year.

The Home Center Leadership Council also named Max Knell, chairman of Ole's Home Centers, and Vernon Furrow, retired chairman and founder of Payless Cashways, as the recipients of its 1986 Pioneer Awards.

Depot raises long-term debt ceiling

ATLANTA — The Home Depot has arranged for a higher ceiling on its long term debt and has taken the initial steps to diversify its capitalization through new sale leaseback arrangements and industrial revenue bonds.

The chain of 48 retail warehouse home centers said the new round of financing, which provides for an additional $160 million, should take care of its needs for the next several years.

"We're driven based on future plans and the number of stores we want to open," said cfo Ronald M. Brill. "We're willing to generate some high leverage now, because we know we will bring it down in the future."

The primary element of the new financing was a $200 million, eight-year revolving credit agreement with a group of eight banks. The new agreement replaces an existing $75 million revolving loan and a $25 million working capital line.

The company is also negotiating for $48 million worth of sale leasebacks covering up to 10 existing store locations.

Highlights in this issue

Perspectives — cover story

DISTRIBUTION CENTERS: New Efficiencies Shave Inventory Costs—Stimulated by the need to maximize the return on their investments in inventory when new competition is sharpening shelf prices, chains are looking at new ways to get merchandise to their store's shelves faster and cheaper. **19-22**

merchandising

Rampant buybacks begin to worry suppliers—A wider range of products are being subjected to buybacks, which suppliers say are impacting their bottom lines. Retailers claim they change vendors sparingly, noting buybacks are necessary. **26**

people

The man who would be Tool King—With the missionary zeal that marks many entrepreneurs, Don Cohen is impatiently waiting for the day when Tool King becomes a national chain. **38**

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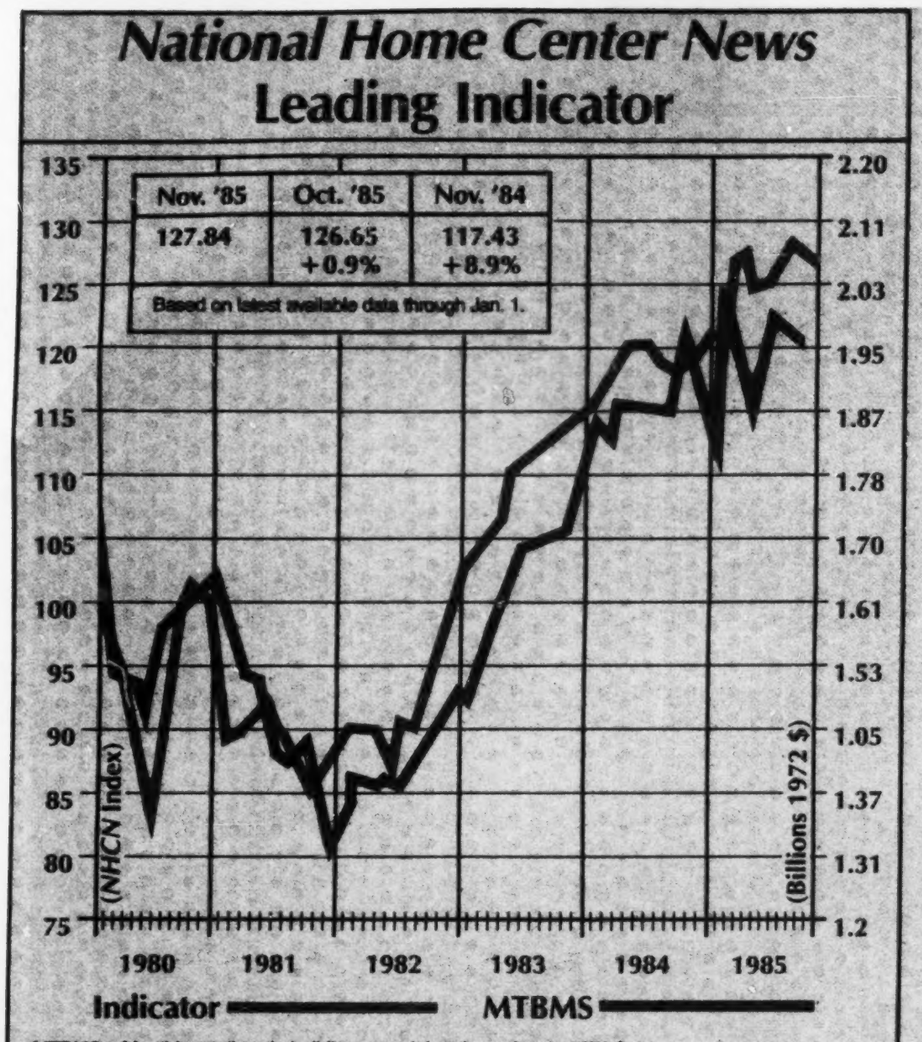
market analysis

Warehouse chains awaken to Cleveland's potential—The budding interest in developing Cleveland's DIY potential, has led a number of chains, including DIY Home Warehouse and Builders Square, to open local units and has triggered an intense price war. **40**

BUSINESS WATCH



MTBMS—Monthly retail trade building material and supplies in 1972 $.

Indicator—Represents projected level of retail building supply sales activity four to six months out from current month. Data based on real personal income, housing starts, resales, prime rate and other data.

Solid gains predicted for 1986

Beginning with this issue, National Home Center News *introduces "Business Watch."*

Developed by Merrill Lynch Economics, through an exclusive arrangement with National Home Center News, *"Business Watch" will be a regular feature appearing in every issue. This new series is designed to give readers a summary and forecast of retail building material sales activity, as well as the factors behind it.*

In addition, this is the start of the new National Home Center News *Leading Indicator Index. The Index is a measure of anticipated sales activity four-to-six months from now, also developed exclusively for* NHCN *by Merrill Lynch Economics. (For more information, see page 8.)*

Richard Mount

By Richard E. Mount
Special to NHCN

In 1986, retailers of building materials and supplies can expect a 6% increase in unit sales, following an estimated rise of 4% in 1985. Demand will be strong for both-do-it-yourself and contracted work, as housing starts are expected to rise 2% and sales of new and existing homes have spurted.

Recent economic trends indicate increases in sales of building materials, according to the *National Home Center News* Leading Indicator, a new index measuring anticipated sales activity for building material retailers being introduced with this issue. Among other factors:

ECONOMIC ISSUES

Real GNP expanded at an annual rate of 4.3% in the third quarter, up from 1.9% in the second and 0.3% in the first. Much of the third-quarter gain came from auto sales incentive programs. The quarter also got boosts from defense spending and government purchases of farm commodities. These stimulants were not repeated in the fourth quarter.

The economy will grow faster this year than last year. The dollar will decline 10%, reducing the price advantage of imports while boosting domestic production and exports. Manufacturing industries will benefit most. Inflation will stay low, mostly because of small increases in food and energy prices. Mortgage rates will decline in the first half and rise slightly in the second half.

HOUSING MARKETS

Housing is entering its fifth year of expansion, and pentup demand has been met. This will prevent housing from staging a dramatic upturn when mortgage rates decline. Low gains in resale values have reduced investment incentives for housing. Starts, new sales and resales will move marginally higher in early 1986 because of lower interest rates and improved income and employment gains. Multiunit activity will rise as concerns diminish about the repeal of deductions for second homes and state and local taxes and of investment tax credits for rental units. But housing will soften in the second half of this year, when interest rates will rise and multiunit starts will taper off.

Sales of building materials will remain strong throughout 1986. Improvement will vary by region and will be stronger in the first half than the second.

The decline in the dollar will be a mixed blessing for sales of building materials. Regions most dependent on manufacturing will be helped most. Pittsburgh, for example, will benefit from a weaker dollar. But prices of imported building materials will rise and hurt sales, particularly in markets near ports of entry into the country, where sales of imported materials are strongest.

Lower inflation will boost the purchasing power of consumers and thus help sales of building materials. But falling oil prices will continue to hurt energy dependent cities.

Rising mortgage rates in the second half of 1986 will benefit sales of building materials. Homeowners will be encouraged to make major additions to existing homes rather than relocate.

(Continued on page 5)

Richard E. Mount is senior economist and manager of housing and construction material research for Merrill Lynch Economics.

General Economic Outlook—Part One

	Latest Available Data	1985				1986						
		QI	QII	QIII	QIV[e]	QI[p]	QII[p]	QIII[p]	QIV[p]	1984	1985	1986
NHCN Leading Indicator (January 1980 = 100)	Nov.	120.2	124.3	124.5	127.1	127.1	127.6	128.0	128.4	117.8	124.0	127.8
GNP $1972 Billion	QIII	1,663.5	1,671.3	1,688.9	1,697.9	1,709.1	1,722.4	1,737.5	1,753.0	1,639.3	1,680.4	1,731.0
Housing Permits (000 SAAR)	Oct.	1,667	1,731	1,760	1,710	1,730	1,700	1,650	1,630	1,682	1,715	1,675
Housing Starts (000 SAAR)	Oct.	1,795	1,772	1,664	1,780	1,825	1,800	1,750	1,740	1,750	1,750	1,780
New Home Sales (000 SAAR)	Oct.	670	680	716	700	720	720	690	680	639	690	705
Resales (000 SAAR)	Oct.	2,970	3,047	3,363	3,275	3,250	3,250	3,200	3,150	2,868	3,165	3,210
Prime Rate %	Nov.	10.5	10.2	9.5	9.5	9.25	9.0	9.25	9.5	12.0	9.9	9.3
Mortgage Rate % (HUD)	Nov.	13.0	12.9	12.1	11.9	11.5	11.6	12.0	12.1	13.8	12.5	11.8
Consumer Price Index (1967 = 100)	Oct.	317.8	321.1	323	325.5	328.2	3331.0	334.2	337.3	311.1	321.9	332.7
Producer Price Index (1967 = 100)	Oct.	292.1	293.8	293.2	294.7	296.6	298.6	300.5	302.6	291.2	293.4	299.6
New Housing Affordability (1980 = 100)	Oct.	110.3	109.0	116.0	118.9	120.4	119.6	116.5	116.5	102.2	113.9	118.3

Residential Alterations and Repairs

Current

Total $ Millions (SAAR)	QII '85	84,900	71,100	70,533	72,885	75,454	77,727	80,309	82,752	69,784	74,854	79,060
Maintenance & Repair	QII '85	37,300	32,800	30,870	32,055	33,083	34,128	35,192	36,273	28,894	33,256	34,669
Additions & Alterations	QII '85	29,700	26,100	26,656	27,343	28,218	28,947	29,777	30,440	27,822	27,450	29,345
Major Replacements	QI '85	17,900	12,300	13,007	13,487	14,153	14,652	15,340	16,040	13,067	14,174	15,046

Constant

Total Millions ($1977 SAAR)	QII '85	49,739	41,465	40,670	41,610	42,650	43,500	45,400	41,134	43,371	44,013	
Maintenance & Repair	QII '85	21,853	19,102	17,800	18,700	19,100	19,500	19,900	17,029	19,264	19,300	
Additions & Alterations	QII '85	17,400	15,200	15,370	15,610	15,950	16,200	16,500	16,700	16,406	15,895	16,338
Major Replacements	QII '85	10,487	7,163	7,500	7,700	8,000	8,200	8,500	8,800	7,699	8,213	8,375

Retail Trade Activity

	Latest Available Data	1985				1986						
		QI	QII	QIII	QIV[e]	QI[p]	QII[p]	QIII[p]	QIV[p]	1984	1985	1986

Current

Total $ Millions (SAAR)	Nov.	1,339,688	1,374,052	1,403,728	1,389,600	1,412,455	1,435,138	1,456,935	1,484,099	1,297,015	1,376,767	1,447,157
Total Motor Automobile	Nov.	1,043,440	1,062,084	1,071,676	1,089,492	1,092,597	1,079,970	1,124,180	1,142,112	1,020,007	1,066,673	1,116,715
Building Material, Hardware, Garden Supply, Mobile Home	Nov.	69,816	72,824	73,132	74,656	76,707	77,682	78,703	79,666	68,703	72,207	78,189
Building Material & Supply	Oct.	50,468	53,012	53,248	55,937	56,565	57,408	58,439	59,295	49,774	53,166	57,927
Hardware	Oct.	9,844	9,984	10,256	10,489	10,502	10,537	10,666	10,796	9,530	10,143	10,625

Constant

Total $ Millions ($1972 SAAR)	Nov.	636,632	651,792	664,008	656,708	660,900	664,865	668,280	674,008	621,128	652,285	667,011
Total Motor Automobile	Nov.	497,904	585,112	589,272	518,556	514,885	516,960	519,330	522,390	489,405	507,711	518,391
Building Material, Hardware, Garden Supply, Mobile Home	Nov.	30,476	31,988	32,537	33,078	33,630	33,748	33,845	33,920	31,185	32,800	33,789
Building Material & Supply	Oct.	22,284	23,484	23,690	24,840	24,670	24,798	24,983	25,180	22,623	23,525	24,886
Hardware	Oct.	4,344	4,424	4,563	4,620	4,580	4,550	4,560	4,570	4,334	4,488	4,755
Building Materials % of Total Motor Automobile ($ Current)	Oct.	4.84	4.99	4.97	5.13	5.18	5.18	5.20	5.19	4.88	4.98	5.19

Data: Department of Commerce
Bureau of Labor Statistics
National Association of Realtors

Department of Housing and Urban Development
Dec. 13, 1985

SAAR—Seasonally Adjusted Annual Rate
e—estimate
p—projection

NHCN chart
Source: Merrill Lynch Economics for *NHCN*

FINANCIAL NEWS

Honing of firms internal operations drives economic strategies for 1986

(Continued from page 1)

1986," said David Stanley, president of Payless Cashways, the chain of 169 home centers based in Kansas City, Mo. Making matters worse were recent offers of low interest loans by auto makers. "The forcing of automobile sales took many discretionary dollars that would otherwise have gone for large project sales," said Stanley.

Lowe's is forecasting that 1986 will be about the same as last year in terms of economic growth, with a 4% inflation rate. And Hardware Wholesalers Inc., the Fort Wayne, Ind.-based dealer organization serving 2,360 member stores, is looking for what vp of marketing Mike McClellend calls a "fairly" good year for 1986. While sales are up 11% to 12% for the past five months, the wholesaler expects more like a 9% annualized increase for its fiscal year that ends next June.

Home center companies, however, may be aided by easier quarterly earnings comparisons than they had last year. During 1985, earnings comparisons were hit hard by the raging successes of the previous year. At the same time, companies instituted new store formats and internal operating procedures that may pay off over the next 12 months.

Home centers are not alone in coming off last year less successful than the previous one. For the first nine months of 1985, retail sales in general rose 6.6% over the same period the previous year, while the comparable performance level in 1984 was 11.6%.

If home center operators are concerned about consumer debt and a leveling of housing starts, they look to a continuing low cost of money as one important prop for sales.

"The ray of hope is projected lower interest rates," said Donald Kole, president of Builderama, a chain of six home centers based in Savannah, Ga. Such lower rates, Kole and other operators feel, could encourage some big ticket projects that would otherwise be delayed by consumers and builders.

A stable mortgage rate, in the 12% range, was cited by the National Lumber and Building Material Dealers Association as a primary reason for the sales rebound in their primarily contractor-oriented membership in 1985, and acting executive vp Harry J. Horrocks II, said that he expected the rate to remain stable for the foreseeable future.

"Interest rates are very important," said Harold Cohen, president of Somerville Lumber, the three-unit chain whose 1985 sales have been running 16% ahead of projections. "If they remain low, housing starts in this area will continue to rise." Somerville expects to see rising demand from baby boomers.

The cost of imported goods is expected to rise in 1986, primarily because of the declining value of the American dollar, according to a new report from Merrill Lynch. That could shock an industry that has come to rely heavily on imports, it would seem. Yet, it may well be that the net effect of higher prices on imports may actually help retailers.

(Continued on page 6)

3Q results reflect flux of 1985 retail environment

NATIONAL REPORT — For most of the nation's home centers, third-quarter operating results reflected a softened selling environment and heightened competition in major markets. Both quarterly and year-to-date comparisons were made more difficult by last year's robust activity.

Lowe's, the chain of 280 stores based in North Wilkesboro, N.C., reported revenues of $549 million for the third quarter that ended Oct. 31. While that was an increase of 23% over the same period last year, net income actually fell, by 12%, to $15.6 million.

For the nine months that ended Sept. 31, the chain reported a 22% increase in sales, to $1.6 million, and a 5% drop in net income, to $48.4 million.

Lowe's indicated its earnings problems were caused by a variety of factors, most of which would strike a familiar cord in other home center chains across the country (see chart). The chain experienced

(Continued on page 45)

Solid gains predicted for 1986

(Continued from page 4)

The decline in housing starts toward the end of 1986 will influence the composition of building-materials sales to contractors. Goods used in the later stages of construction, like paint and carpeting, will be in greater demand at year-end than brick or cement.

NHCN LEADING INDICATOR

By way of introduction *National Home Center News* commissioned Merrill Lynch Economics to develop a leading indicator of real retail sales volume of building material and supply stores. The index combines current levels of resales, housing starts, interest rates and real consumer income to monitor building sales four to six months ahead. The index is analogous to the Commerce Department's Leading Index, which signals future changes in the economy.

The NHCN Leading Indicator is a strong predictor of sales. Although it does not always match specific peaks and troughs of monthly data, it clearly indicates future trends and suggests when up or down sales are temporary and due for a correction.

The *NHCN* Leading Indicator has risen sharply into the fourth quarter of 1985, indicating strength in sales into the first half of the year. The continued strength in resales and income for the year point to an increase in the index and a solid gain for 1986.

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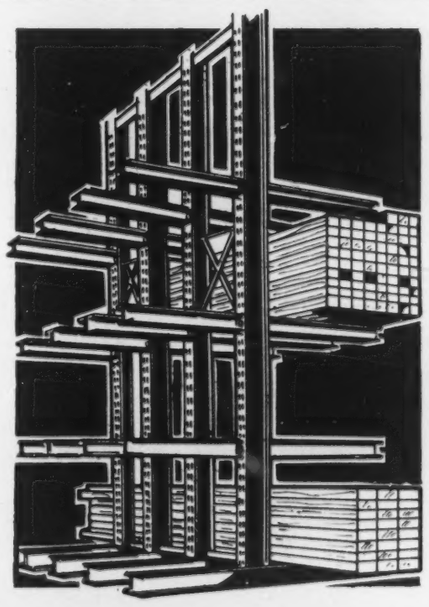

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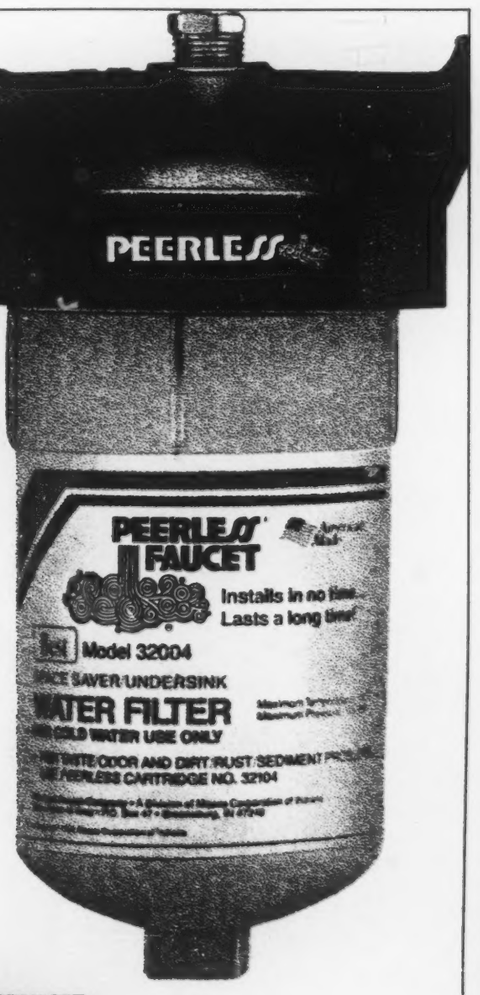

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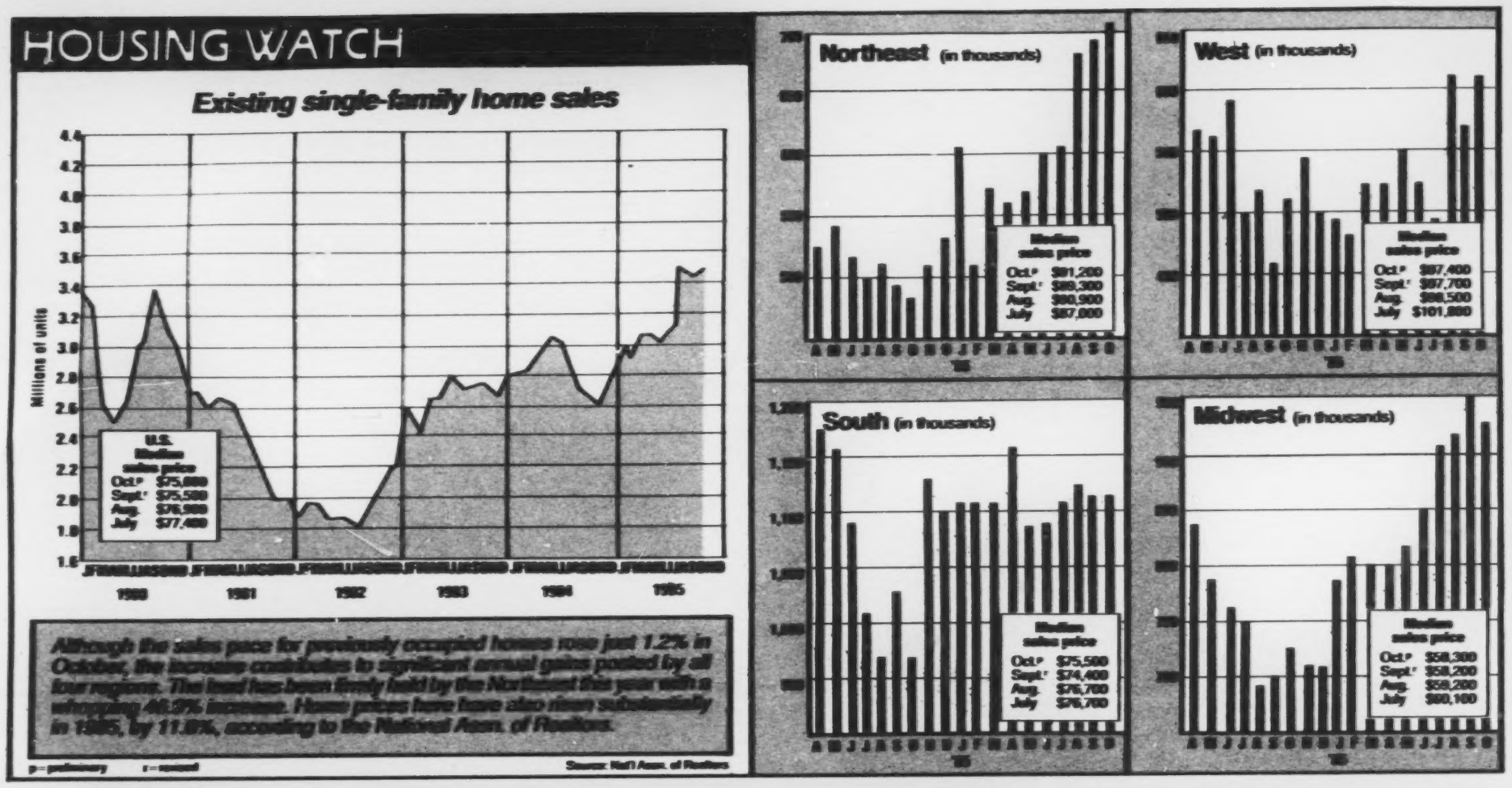

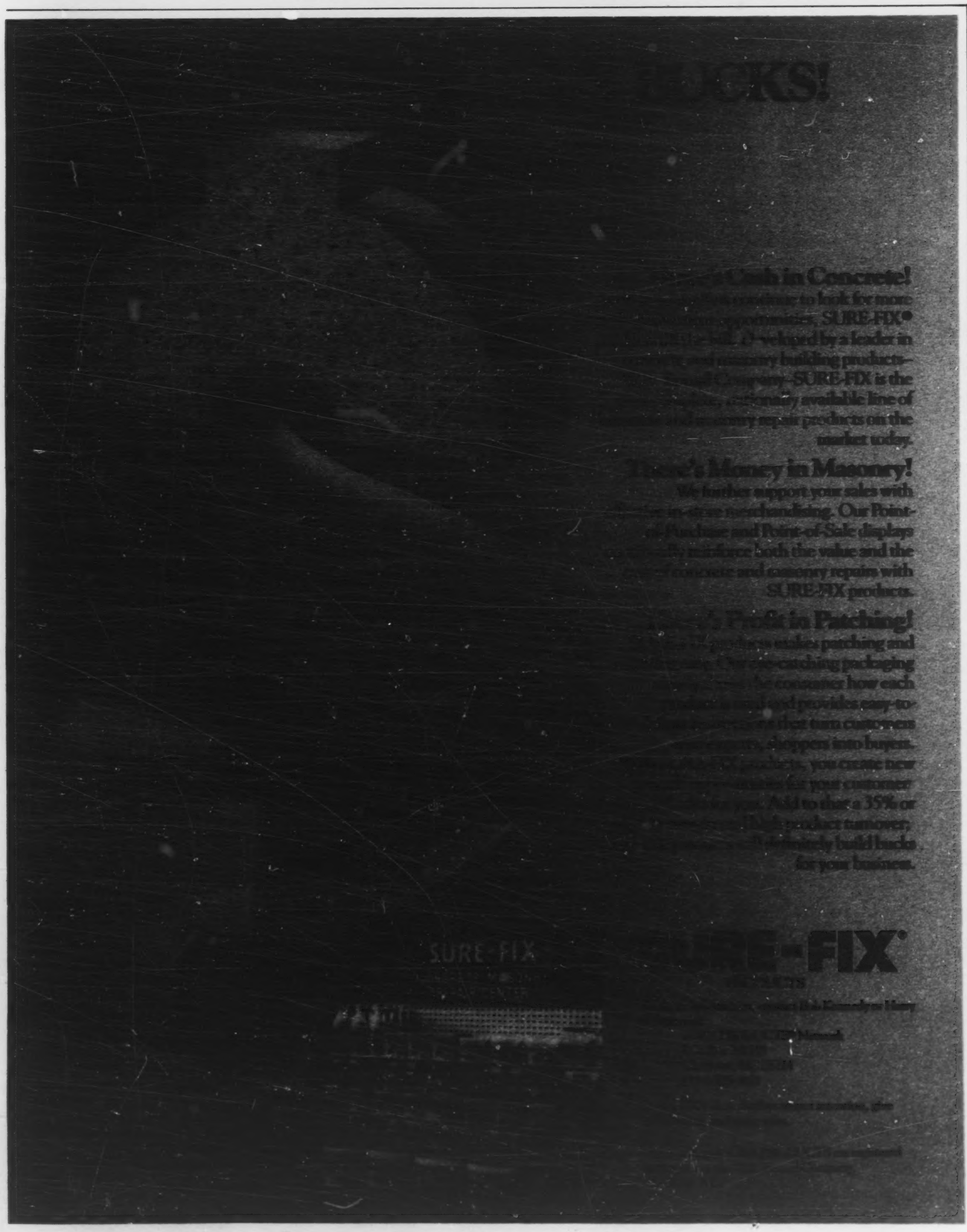

Resales inch up 1.2% in Oct. to 3.49 million

NATIONAL REPORT — Existing single-family home sales inched up 1.2% in October to a seasonally adjusted annual rate of 3.49 million units, according to the National Assn. of Realtors.

The resale rate has now been above the three million-unit mark for eight consecutive months.

"Not since record high home sales years of 1976-79, when mortgage interest rates were in the 9% to 11% range, has the annual pace of existing single-family home sales been above the three million unit mark for this length of time," noted Jack Carlson, NAR's chief economist and executive officer.

Although mortgage rates did climb slightly in October, they are still much lower than the 13.04% charged last year at this time.

The Federal Home Loan Bank Board listed the average effective interest rate on loans closed for previously occupied homes at 11.30%, up 0.10% from September.

These lower mortgage rates, plus other economic factors, have had a positive effect on housing affordability, the association said.

"With home prices rising only modestly now and family incomes increasing about 5% so far this year, housing affordability conditions are relatively good, and the outlook for future appreciation of housing investments made today is very positive," commented Clark E. Wallace, the NAR's newly elected president.

The NAR is reporting that its affordability index stood at 97.8 in October. This means that house-hunters had nearly 98% of the income needed to afford an 80% mortgage on the median-priced home, which in October was $75,600, the association said.

October marked the third consecutive month that the index was above 95.

The $75,600 median-priced home cost was $100 above the September level.

Home prices rose in three regions: Northeast, up $1,900 to $91,200; South, up $1,100 to $75,500; and Midwest, up $100 to $58,300. The West recorded a $300 home price decline, to $97,400, according to the association.

Sales activity, however, only increased in two regions in October; in the West, up 7% to 610,000 units, seasonally adjusted, and in the Northeast, up 4.3% to a seasonally adjusted 720,000 units.

In the South, the resale rate for existing homes was unchanged at 1.23 million units, seasonally adjusted. The sales pace declined in the Midwest by 2.1% to a seasonally adjusted 930,000 units.

Compared to last October, the regions are an average 29% ahead in sales activity. The gains were led by the Northeast with 46.9%. The Midwest was second with a year-to-year sales pace increase of 25.7%, followed by the South with 25.5% and the West with 17.3%.

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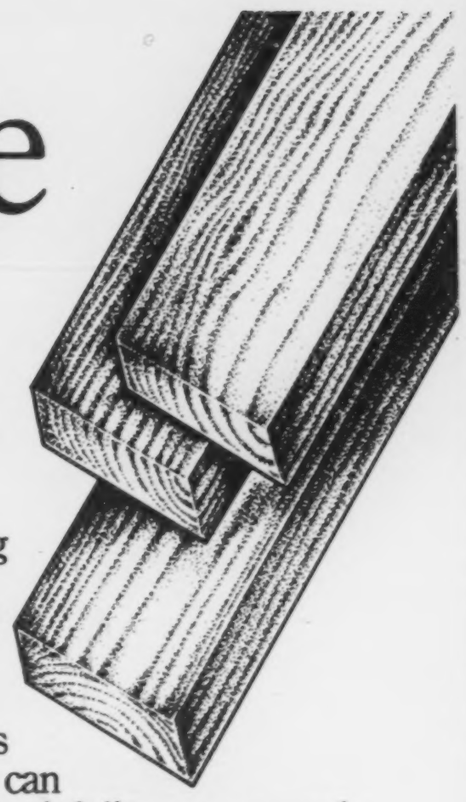

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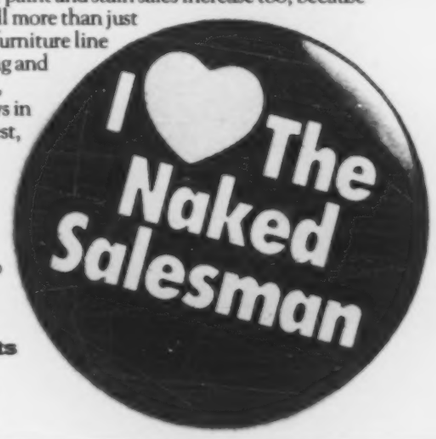

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Potlatch

LUMBER REPORT

Forest producers move to foil new round of takeover attempts

NATIONAL REPORT — A new phalanx of corporate raiders has set its sights on what appears to be an increasingly popular target for acquisition: forest products producers.

The zeroing-in on the forest product producer comes, ironically enough, at a time when the industry is not doing particularly well. Throughout the industry, financial performances are disappointing, mills are idle and competition by Canadian imports remain intense.

Like the highly publicized corporate raids in the communications, airlines and energy fields earlier this year, the offensive moves by the raiders and the defensive ploys of the targets in the forest industry is daily reading in the nation's business pages.

Just within the past two months, the Potlatch Corp. and the Pacific Lumber Co. were set upon in hostile takeover moves, the outcomes of which are still unfolding.

The fear of being taken over has even prompted the giant, diversified forest products concern, Weyerhaeuser Co., to adopt special, antitakeover shareholder options to thwart would-be invasion.

Potlatch Corp., in a similar vein, has also developed antitakeover moves to stymie the Belzberg family of Vancouver, British Columbia, which offered to buy the company for $692.5 million, or $45 a share. Potlatch president Richard Madden immediately scoffed at the offer and supported a proposal by the board of directors to allow each shareholder of two years standing or more to have four votes, rather than one, in deciding upon tender offers. With more than 40% of Potlatch's shares owned by the founding family, analysts say the proposal, if approved, would make a hostile takeover nearly impossible.

The current spate of takeover attempts comes about a year after the controversial acquisition of the Crown Zellerbach Corp. by British financier Sir James Goldsmith and the gobbling-up of St. Regis Corp. by Champion International.

Analysts believe that forest products producers have become vulnerable takeover objects because the value of their holdings in timberland, sawmills and real estate is not accurately reflected in the price of their stock.

Mark S. Rogers, an analyst with Dean Witter Reynolds is one of many who believe the common thread that ties the various takeover bids together is that the raiders are tempted by the gap between asset values and stock worth.

"The key factor behind this is that the assets of these companies are substantially more than their equity value," Rogers said. "What this means is that it's a lot cheaper to buy somebody out, rather than having to start up your own operation."

Rogers said Crown Zellerbach and St. Regis were particularly attractive takeover prizes because their shares were selling far below their book value.

Although many forest products producers, for the most part, have had poor sales performances this year, Rogers indicated that downturns in revenues have a cyclical aspect and is not enough to discourage would-be raiders or diminish the value of a company's assets.

But other forest products industry watchers suggest that another reason for the takeover trend in the industry is that once a concern has been acquired, the raider stands to make more money by dismantling the company's operations and selling them off in a financial version of the "parts being greater than the whole."

Lawrence Ross, an analyst with Paine Webber, predicted that the Crown Zellerbach Corp. will eventually be broken up and sold. On the other hand, he speculated that the Maxxam Group—which has offered to buy the Pacific Lumber Co. for $870 million—will probably keep the company intact because of its sizable redwood timber holdings.

"I think you'll see a number of lumber companies being liquidated after they are acquired," Ross said. "It's only a matter of what's the market value of the asset."

But Nancy McCarter, an analyst with Value-Line an investment research firm, said there are no industrywide conditions triggering the assault on forest products producers and argued that each takeover case has its own distinctions.

"While its true that the value of the forest product producers stock is not representative of the potential earnings of the asset," McCarter said, "each situation is different.

"Whenever an industry goes through a difficult time, it presents an opportunity for people to look at it. For people in the industry, they look at each other to see if there are ways to join forces and get stronger."

Nevertheless, McCarter foresees more consolidation and takeovers as long as the industry's stock is selling below asset value.

Revelstoke sells largest mill to Slocan for $2.5M

CALGARY, Alberta — Revelstoke Companies Inc. has agreed to sell its largest lumber mill to Slocan Forest Products Ltd., for $2.5 million in cash plus the value of inventories and accounts receivable.

The transaction is expected to increase Revelstoke's consolidated working capital by $2.8 million, and decrease its total debt by $6 million.

The mill, located in Radium, British Columbia, historically accounted for about 75% of the company's lumber division sales. Slocan will assume the mill's lease obligations related to assets under capitalized leases totaling about $1.7 million.

The sale was announced simultaneously to the release of Revelstoke's third quarter financial report.

Earnings in the three-month period ended Sept. 30 were $1,921,000, compared to a loss of $800,000 for the same period a year ago. Sales in the third quarter rose 37% to $46,-228,000.

For the first nine months of the year, sales for Revelstoke, which runs 73 home improvement stores as one of its businesses, increased 13.2% to $115,720,000. The company suffered an earnings loss of $132,000, or a loss of 4¢ per share, but this compares favorably to the $6,445,000 loss Revelstoke incurred for the first nine months of 1984.

On Oct. 1, Revelstoke paid a 2½% stock dividend equivalent to $0.115 per Class A and B share, payable in Class A shares.

FUTURES

Two weeks ended Nov. 27, 1985

LUMBER (CME)—130,000 bd. ft. spruce-pine-fir 2x4's: $ per 1,000 bd. ft.

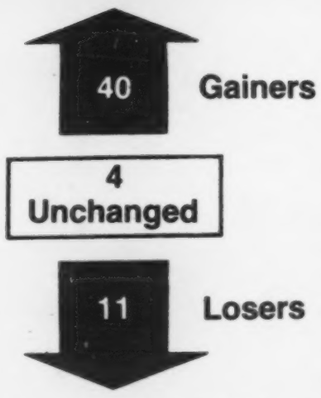
	High	Low	Close (Settle)	Previous Week	Open* Interest	Contract High	Contract Low
Jan. '86	148.70	143.80	148.00	144.90	3,801	187.30	133.60
March	153.70	149.20	153.60	150.40	1,636	195.00	139.70
May	159.50	154.10	159.00	155.40	726	176.40	145.20
July	162.20	158.40	162.00	159.00	208	183.40	149.50
Sept.	165.30	162.50	165.20	162.80	170	180.00	152.90
Nov.	166.00	161.00	166.00	162.80	84	166.90	153.00
Jan. '87	169.70	165.00	169.70	167.00	6	169.70	164.50

Total Contract Vol. (Through 11/27): 10,727 — **Previous Two Weeks: 12,778**
Total Open Interest (As of 11/27): 6,634 — **Previous Week: 6,614**
Cash Price: $147.00 — **Previous Week: $147.00** — **Year Ago: $156.80**

CME—Chicago Mercantile Exchange
*Figures for Wednesday, Nov. 27, 1985
Open Interest is the number of outstanding contracts for each delivery month not liquidated by an offsetting transaction or fulfilled by delivery.

FINANCIAL NEWS

Price-percentage gainers outpaced losers, 40 to 11, for the two-week period ended Dec. 13. Four home center industry issues remained unchanged.



The record-breaking Wall Street activity that drove the Dow Jones industrial average over the 1500 mark on Dec. 11 carried several home center retail stocks to dramatic price gains.

Home Depot led the winners with a 20.5% price rise over the two-week period, closing Dec. 13 at $13.25. The Atlanta-based warehouse chain's stock price, however, remained well below its 52-week high of $20.38. Diamond Lumber parent, Michigan General, was up 17.9% to $4.13, while W. R. Grace, which announced plans to sell off its retail group including its home center chains *(see story, page 1)*, gained 16.6% to $47.50.

Other home center stocks that benefited from the bullish market included Pay 'N Pak (up 11.3%), Wolohan Lumber (up 8.9%), Lowe's (up 8.7%) and Scotty's (up 7.3%).

Homecrafters Warehouse, which filed for Chapter 11 on Dec. 6, closed the two-week period at a 52-week low of $1.13, down 35.7%.

MOST ACTIVE STOCKS

Company & Market	Total 2-Week Volume	Volume Trend Change	2-Week Price Change
	(100)	%	%
Ply-Gem A	4,802	800.8	4.8
Grace W R N	52,106	503.4	16.6
Pope & Talbot N	4,204	427.1	7.3
Natl Lumber M	969	364.9	- 1.3
Homecrafters Whse M	7,244	357.1	- 35.7
Edison Bros N	1,042	347.8	1.5
Thos Inds N	1,955	346.9	3.7
SW Forest Ind N	13,305	321.5	7.1
Masco Corp N	18,098	280.5	8.6
Scotty's Inc N	3,508	271.2	7.3
Owens Corning N	10,298	269.1	7.0
Payless Cash N	24,103	267.0	6.7
Clopay Corp A	183	260.6	19.8
Sears, Roebuck N	137,395	256.6	10.8
Stanley Works N	6,725	255.9	6.8
Pay N Pak N	4,643	241.2	11.3
Champ Intl N	47,806	238.8	1.6
Color Tile M	7,862	232.2	10.3
Emhart Corp N	5,860	231.3	6.2
Allegheny Int N	15,203	220.6	- 12.1

TOP GAINERS

Company & Market	2-Weeks Ended 12-13-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Home Depot N	13.25	20.5	11,948
Clopay Corp A	15.88	19.8	183
Mich General A	4.13	17.9	1,794
Grace W R N	47.50	16.6	52,106
MacMillin Bldel N	16.00	14.3	163

TOP LOSERS

Company & Market	2-Weeks Ended 12-13-85	2-Week Price Change	Total 2-Week Volume
	$	%	(100)
Homecrafters Whse M	1.13	- 35.7	7,244
Allegheny Int N	19.00	- 12.1	15,203
Potlatch Cp N	34.88	- 5.7	2,980
Natl Gypsum N	44.75	- 4.3	15,217
Manville Cp N	5.38	- 2.3	8,074

National Home Center News®

HOME CENTER INDUSTRY MARKET SUMMARY

Stock Market

Company and Market	2-Weeks Ended 12-13-85	2-Weeks Change Amt.	2-Weeks Change Pct.	2-Week Price Range High	2-Week Price Range Low	52-Week Price Range High	52-Week Price Range Low	2-Weeks Volume Shares Traded Total	2-Weeks Volume Shares Traded % Out	12-Week Avg. Vol. As % Out	Volume Trend Change
-	$	$	%	$	$	$	$	(100)	%	%	%
Retailers											
Boise Cascade N	45.38	.75	1.7	45.63	44.00	51.00	37.25	14,054	5.16	1.80	186.7
Color Tile M	21.50	2.00	10.3	22.25	18.88	21.50	15.25	7,862	8.47	2.55	232.2
Edison Bros N	33.38	.50	1.5	33.38	32.38	38.25	31.00	1,042	1.03	.23	347.8
Erb Lumber M	35.00	.00	.0	35.00	33.00	36.50	18.00	48	.54	.55	- 1.8
Forest City Ent A	25.75	.63	2.5	25.75	25.00	25.75	19.38	92	.23	.27	- 14.8
Grace W R N	47.50	6.75	16.6	47.50	40.38	47.50	35.50	52,106	10.74	1.78	503.4
Hechinger A M	19.00	1.25	7.0	19.50	17.00	23.19	15.59	3,445	3.94	1.36	189.7
Hechinger B M	20.00	.25	1.3	20.25	18.25	24.19	15.81	1,418	1.05	.44	138.6
Hines Ed Lumber O	22.25	.00	.0	23.50	22.25	42.50	22.25	10	.06	.49	- 87.8
Homecrafters Whse M	1.13	- .63	- 35.7	1.88	1.00	10.00	1.13	7,244	25.60	5.60	357.1
Home Depot N	13.25	2.25	20.5	13.75	10.75	20.38	10.50	11,948	4.77	1.53	211.8
INTERCO Inc N	70.75	3.00	4.4	71.00	67.50	73.63	58.38	5,684	4.02	2.11	90.5
K mart Cp N	36.63	1.50	4.3	36.75	34.00	41.50	30.63	47,824	3.81	1.49	155.7
Lowe's Cos N	25.00	2.00	8.7	25.38	22.38	31.13	20.75	10,445	2.88	1.13	154.9
Mich General A	4.13	.63	17.9	4.25	3.50	8.13	3.25	1,794	1.58	.99	59.6
Natl Lumber M	4.94	- .06	- 1.3	5.25	4.75	7.50	4.50	969	1.72	.37	364.9
Pay N Pak N	14.75	1.50	11.3	14.88	13.00	15.25	11.50	4,643	4.64	1.36	241.2
Payless Cash N	16.00	1.00	6.7	16.25	14.25	23.38	13.50	24,103	6.57	1.79	267.0
Scotty's Inc N	14.75	1.00	7.3	15.00	13.63	16.38	12.38	3,508	2.45	.66	271.2
Sears, Roebuck N	40.88	4.00	10.8	41.13	36.25	41.13	30.63	137,395	3.78	1.06	256.6
Std Brd Pnt N	19.63	- .38	- 1.9	21.00	19.13	23.88	18.13	4,779	4.23	1.60	164.4
Supermkts Gen N	50.50	1.50	3.1	51.00	47.25	51.00	31.75	3,076	1.71	.91	87.9
Wolohan Lumber M	6.13	.50	8.9	6.13	5.63	7.25	4.50	1,210	2.07	.86	140.7
Wholesalers											
Lewis Palmer M	7.75	.00	.0	7.88	7.38	9.38	6.38	597	1.53	.68	125.0
Manufacturers											
Allegheny Int N	19.00	- 2.63	- 12.1	21.88	17.00	28.75	17.00	15,203	14.14	4.41	220.6
Am Standard N	38.38	3.75	10.8	39.50	34.63	39.50	26.75	17,280	4.40	1.41	212.1
Armstrng Wrld N	43.88	1.75	4.2	45.25	41.75	45.25	30.38	6,332	2.64	1.52	73.7
Black & Decker N	20.25	- .25	- 1.2	20.50	18.13	26.88	17.25	31,752	6.25	2.31	170.6
Certain-teed N	26.75	.75	2.9	28.00	26.25	28.50	20.25	2,504	1.32	.59	123.7
Champ Intl N	24.25	.38	1.6	25.00	23.38	26.75	19.88	47,806	5.15	1.52	238.8
Clopay Corp A	15.88	2.63	19.8	16.25	13.50	22.19	11.25	183	1.19	.33	260.6
DeSoto Inc N	35.13	- .25	- .7	36.50	34.50	37.88	31.50	637	1.34	.69	94.2
Emhart Corp N	32.25	1.88	6.2	32.25	30.00	33.13	26.25	5,860	2.12	.64	231.3
Georgia-Pacifc N	25.75	.88	3.5	26.00	24.00	27.38	20.50	40,759	3.95	1.42	178.2
Insilco Corp N	19.75	- .38	- 1.9	21.25	19.50	21.25	16.63	4,238	2.16	1.36	58.8
La Pacific N	23.38	.63	2.7	23.38	21.25	24.75	17.63	9,499	2.68	.96	179.2
MacMlln Bldel N	16.00	2.00	14.3	16.00	13.88	21.34	12.47	163	.05	.02	150.0
Manville Cp N	5.38	- .13	- 2.3	5.88	5.25	8.63	5.13	8,074	3.36	1.26	166.7
Masco Corp N	41.00	3.25	8.6	41.00	37.25	41.00	26.00	18,098	3.12	.82	280.5
Mor-Flo Inds M	17.13	1.38	8.7	17.38	15.38	20.25	14.50	300	1.18	.86	37.2
Natl Gypsum N	44.75	- 2.00	- 4.3	46.88	43.50	47.25	24.19	15,217	6.65	2.19	203.7
Newell Co N	22.38	.13	.6	22.50	21.50	22.50	15.13	1,179	1.37	.79	73.4
Owens Corning N	38.13	2.50	7.0	38.75	35.50	38.75	30.50	10,298	3.47	.94	269.1
Ply-Gem A	16.38	.75	4.8	17.00	15.88	17.00	12.63	4,802	11.17	1.24	800.8
Pope & Talbot N	20.13	1.38	7.3	20.13	18.00	21.50	15.25	4,204	7.01	1.33	427.1
Potlatch Cp N	34.88	- 2.13	- 5.7	37.38	34.25	43.63	28.38	2,980	1.94	3.38	- 42.6
Sherwin-Wms N	45.88	4.38	10.5	46.50	41.25	46.50	25.50	4,054	1.77	.71	149.3
SW Forest Ind N	11.38	.75	7.1	11.50	10.25	16.25	9.88	13,305	14.33	3.40	321.5
Stanley Works N	33.25	2.13	6.8	33.25	30.25	33.25	24.50	6,725	2.42	.68	255.9
Thos Inds N	19.13	.69	3.7	19.13	17.88	19.13	14.41	1,955	2.19	.49	346.9
Triangle Pac N	35.75	- .50	- 1.4	36.50	35.00	37.00	23.63	778	2.06	1.11	85.6
USG Corp N	47.50	2.50	5.6	48.88	43.50	48.88	28.44	10,238	3.07	1.15	167.0
Walter, Jim N	42.00	2.38	6.0	42.00	39.50	42.00	30.75	8,059	3.81	1.81	110.5
Waxman Ind M	10.75	.00	.0	11.00	10.25	16.88	6.09	1,241	3.96	1.63	142.9
Weyerhaeuser N	32.00	1.13	3.6	32.00	30.25	34.00	24.75	28,509	2.19	.85	157.6

Financial Update

Company and Market	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
-	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Retailers																		
Boise Cascade N	24.8	1.90	4.2	.....	9 mos.	09-85	934.2	- 3.0	20.3	- 37.9	.65	- 42.5	2844.5	- 2.2	85.3	- 9.4	2.84	- 12.3
Color Tile M	14.3	.00	.0	.....	3 mos.	09-85	95.0	25.8	3.3	17.9	.36	16.1	95.0	25.8	3.3	17.9	.36	16.1
Edison Bros N	15.5	1.60	4.8	.....	9 mos.	09-85	199.2	- 26.4	5.9	- 33.7	.58	- 34.1	561.7	- 27.8	13.6	- 44.5	1.34	- 43.5
Erb Lumber M	6.0	.00	.0	.....	9 mos.	09-85	61.4	44.1	2.3	91.7	2.67	105.4	142.3	27.5	4.3	104.8	4.87	112.7
Forest City Ent A	31.0	.15	.6	.....	6 mos.	07-85	53.5	- 28.6	3.4	36.0	.43	34.4	127.2	1.4	3.6	414.3	.45	309.1
Grace W R N	14.9	2.80	5.9	.....	9 mos.	09-85	1758.1	6.0	25.3	- 23.6	.41	- 39.7	5246.9	7.1	102.2	- 25.1	1.96	- 30.0
Hechinger A M	NA	.16	.8	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Hechinger B M	20.6	.08	.4	NEW	9 mos.	10-85	118.3	17.8	5.5	17.0	.23	9.5	362.2	19.7	16.5	11.5	.70	7.7
Hines Ed Lumber O	16.7	1.00	4.5	.....	9 mos.	09-85	81.9	- 4.2	1.2	- 45.5	.67	- 46.0	211.3	- .5	2.1	- 8.7	1.20	- 7.7
Homecrafters Whse M	NE	.00	.0	.....	6 mos.	07-85	51.8	19.4	(1.8)	- 100.0	(.64)	- 100.0	97.6	22.2	(3.3)	- 100.0	(1.18)	- 100.0
Home Depot N	36.8	.00	.0	.....	9 mos.	10-85	177.7	76.8	1.2	- 63.6	.04	- 69.2	497.0	57.6	5.6	- 46.7	.22	- 47.6
INTERCO Inc N	17.8	3.08	4.4	.....	6 mos.	08-85	644.0	- 8.1	23.2	- 4.9	1.47	- .7	1233.0	- 8.4	34.4	- 21.6	2.18	- 17.7
K mart Cp N	11.4	1.40	3.8	.....	9 mos.	10-85	5223.2	4.6	77.4	- 16.2	.60	- 15.5	15667.8	10.2	210.7	- 28.5	1.64	- 27.8
Lowe's Cos N	4.1	.36	1.4	.....	9 mos.	10-85	3833.0	756.2	441.1	2406.3	4.90	900.0	4880.9	271.8	473.9	831.0	5.81	312.1
Mich General A	NE	.00	.0	.....	9 mos.	09-85	128.3	3.6	(7.9)	- 100.0	(.69)	- 100.0	335.4	- 2.6	(23.2)	- 100.0	(2.05)	- 100.0
Natl Lumber M	24.7	.00	.0	NEW	9 mos.	09-85	33.7	.9	.1	- 66.7	.02	- 60.0	101.6	6.8	.8	- 20.0	.14	- 22.2
Pay N Pak N	16.4	.64	4.3	.....	6 mos.	08-85	90.5	3.1	3.0	- 21.1	.30	- 21.1	173.1	6.7	5.1	- 17.7	.51	- 17.7
Payless Cash N	14.7	.16	1.0	.....	9 mos.	08-85	379.4	13.4	12.4	- 3.9	.36	- 10.0	1010.0	19.7	27.0	- 2.5	.80	- 7.0
Scotty's Inc N	12.0	.52	3.5	.....	3 mos.	09-85	110.3	8.5	2.8	- 17.6	.20	- 23.1	110.3	8.5	2.8	- 17.6	.20	- 23.1
Sears, Roebuck N	11.4	1.76	4.3	.....	9 mos.	09-85	10047.1	3.7	262.2	- 18.5	.71	- 19.3	28647.1	3.4	751.0	- 15.8	2.03	- 17.8
Std Brd Pnt N	11.8	.56	2.9	NEW	9 mos.	10-85	90.0	10.4	4.0	- 24.5	.35	- 27.1	266.4	9.1	14.2	- 12.9	1.26	- 14.3
Supermkts Gen N	14.0	.48	1.0	.....	9 mos.	10-85	1263.6	9.9	24.2	132.7	.68	17.2	3766.3	25.1	42.1	38.9	2.35	38.2
Wolohan Lumber M	11.8	.16	2.6	.....	9 mos.	09-85	46.8	12.5	1.2	9.1	.20	5.3	113.3	10.0	2.2	22.2	.38	22.6
Wholesalers																		
Lewis Palmer M	59.6	.27b	3.5	NEW	9 mos.	10-85	39.9	- 9.9	.6	.0	.16	6.7	110.4	- 2.9	.8	- 42.9	.22	- 43.6
Manufacturers																		
Allegheny Int N	NE	1.40	7.4	.....	9 mos.	09-85	511.5	- .9	(71.4)	- 100.0	(7.35)	- 100.0	1519.2	- 1.0	(56.3)	- 100.0	(7.47)	- 100.0
Am Standard N	13.0	1.60	4.2	.....	9 mos.	09-85	830.9	.3	28.2	- 3.1	.71	- 5.3	2498.2	6.2	85.8	2.0	2.18	- 4.8
Armstrng Wrld N	10.8	1.30	3.0	.....	9 mos.	09-85	446.7	13.1	28.1	23.2	1.17	23.2	1253.2	5.6	78.3	6.7	3.26	8.7
Black & Decker N	NE	.64	3.2	.....	fiscal	09-85	454.3	- 5.9	(195.1)	- 100.0	(3.83)	- 100.0	1732.3	13.0	(158.4)	- 100.0	(3.11)	- 100.0
Certain-teed N	9.3	.70	2.6	.....	9 mos.	09-85	304.1	- 7.0	18.3	408.3	.93	447.1	848.0	- 7.4	43.0	45.3	2.18	48.3
Champ Intl N	NE	.52	2.1	.....	9 mos.	09-85	1330.4	17.6	37.9	- 5.7	.37	- 43.9	4575.1	33.4	125.0	14.3	1.22	- 31.5
Clopay Corp A	NE	.16	1.0	.....	9 mos.	09-85	38.5	6.6	(1.2)	- 100.0	(.78)	- 100.0	103.7	6.3	(1.7)	- 100.0	(1.10)	- 100.0
DeSoto Inc N	11.4	1.40	4.0	.....	9 mos.	09-85	109.2	- 4.5	4.1	- 31.7	.86	- 18.9	330.1	.3	11.3	- 29.4	2.37	- 16.8
Emhart Corp N	11.9	1.40b	4.3	.....	9 mos.	09-85	421.2	.1	17.0	- 20.6	.61	- 28.2	1290.6	- 4.1	56.4	- 13.0	2.03	- 21.3
Georgia-Pacifc N	31.4	.80	3.1	.....	9 mos.	09-85	1752.0	- .3	58.0	- 30.1	.52	- 29.7	5126.0	4.3	174.0	- 20.2	1.56	- 8.8
Insilco Corp N	12.3	1.00b	5.1	.....	9 mos.	09-85	209.1	1.0	5.9	- 35.2	.30	- 41.2	637.1	5.1	22.5	- 12.5	1.20	- 15.5
La Pacific N	20.0	.80b	3.4	.....	9 mos.	09-85	332.3	6.3	11.3	63.8	.32	77.8	948.3	.2	18.7	- 11.8	.53	- 10.2
MacMlln Bldel N	24.2	.00a	.0	.....	9 mos.	09-85	597.1	- 1.0	12.1	61.3	.18	350.0	1733.7	11.9	22.5	NE	.10	NE
Manville Cp N	NE	.00	.0	.....	9 mos.	09-85	471.4	- 4.0	(98.6)	- 100.0	(4.37)	- 100.0	1405.4	3.5	(66.0)	- 100.0	(3.53)	- 100.0
Masco Corp N	27.9	.64	1.6	.....	9 mos.	09-85	NC	NC	(48.5)	- 100.0	(.10)	NE	449.1	- 44.2	23.2	- 75.4	1.14	- 31.7
Mor-Flo Inds M	8.1	.01	.1	.....	9 mos.	09-85	47.0	.9	.3	- 81.3	.11	- 82.5	153.0	3.9	3.7	- 22.9	1.45	- 24.5
Natl Gypsum N	8.5	1.52	3.4	.....	9 mos.	09-85	468.0	4.2	35.1	24.9	1.53	26.4	1277.4	- .8	96.6	18.4	4.16	18.9
Newell Co N	11.5	.60	2.7	.....	9 mos.	09-85	92.2	36.4	5.4	74.2	.60	66.7	253.4	15.9	13.4	34.0	1.48	27.6
Owens Corning N	9.3	1.40	3.7	.....	9 mos.	09-85	870.5	8.0	38.9	11.8	1.31	11.0	2338.4	3.2	87.1	8.5	2.94	7.7
Ply-Gem A	14.8	.16	1.0	.....	9 mos.	09-85	39.5	- 2.7	1.1	37.5	.25	31.6	123.0	- .2	3.1	- 3.1	.77	- 12.5
Pope & Talbot N	87.5	.80	4.0	.....	9 mos.	09-85	82.0	- .6	2.1	NE	.34	NE	250.3	3.8	6.1	48.8	1.01	46.4
Potlatch Cp N	13.9	1.56	4.5	.....	9 mos.	09-85	239.6	- 3.8	11.3	1.8	.65	1.6	722.9	- 4.6	33.3	- 15.9	1.93	- 13.1
Sherwin-Wms N	14.5	.92	2.0	.....	9 mos.	09-85	578.8	4.8	29.1	15.0	1.26	13.5	1677.5	6.6	63.3	13.2	2.75	13.2
SW Forest Ind N	NE	.00	.0	.....	9 mos.	09-85	181.6	- 10.6	(2.8)	- 100.0	(.45)	- 100.0	530.9	- 9.6	(7.3)	- 100.0	(1.25)	- 100.0
Stanley Works N	12.2	1.04	3.1	.....	9 mos.	09-85	297.1	.8	19.4	7.2	.70	7.7	885.9	3.9	52.6	5.2	1.92	7.3
Thos Inds N	10.7	.65b	3.4	.....	9 mos.	09-85	79.1	- .5	4.9	14.0	.54	14.9	231.9	8.1	12.0	.0	1.34	.0
Triangle Pac N	9.9	1.00	2.8	.....	9 mos.	09-85	69.0	- 3.5	4.7	9.3	1.24	21.6	198.2	- 4.5	11.6	8.4	2.90	12.0
USG Corp N	7.5	1.68	3.5	.....	9 mos.	09-85	657.4	3.7	65.7	38.3	1.96	36.1	1891.3	10.7	169.9	16.9	5.08	15.5
Walter, Jim N	8.2	1.40	3.3	NEW	fiscal	08-85	627.9	11.2	38.4	13.9	1.75	12.9	2292.3	1.5	111.7	15.2	5.11	14.8
Waxman Ind M	16.0	.08	.7	.....	3 mos.	09-85	21.5	4.9	.6	- 14.3	.18	- 55.0	21.5	4.9	.6	- 14.3	.18	- 55.0
Weyerhaeuser N	26.4	1.30	4.1	.....	6 mos.	06-85	1400.1	622.4	59.7	- 42.5	.41	- 43.8	2675.8	81.9	97.9	- 30.3	.65	- 32.3

All data is based on sources believed to be reliable, but its accuracy is not guaranteed. Every effort will be made to correct errors, when discovered, in future issues.

Reporting period
3 mos.—First quarter of fiscal year
6 mos.—First six months of fiscal year
9 mos.—First nine months of fiscal year
Fiscal—Fiscal year
NEW—New report since last issue

Data and Table Provided by Media General Financial Services Inc., Richmond, Va. 23219

Last 52 Weeks

General Field Footnotes
NA—Not available or not applicable
NC—Data required for calculation currently incomplete in our files
NE—Negative earnings invalidate calculations
NM—No meaningful figure
a—Under dividend amount, indicates a stock dividend
b—Indicates cash plus stock dividend when applied to dividend amount column
Volume Trend Change—% difference between "2-weeks shares traded % out" and "12-week avg. vol. as % of out."
P/E Ratio—Price/earnings ratio
E.P.S.—Earnings per share

Market
N—New York Stock Exchange
A—American Stock Exchange
O—NASDAQ Over-the-Counter
M—NASDAQ National Market

All earnings data and all related calculations using earnings data use primary earnings from total operations and after taxes. Earnings are before extraordinary items, when such items are applicable.